

semi-public customers in the first instance. It argues that the relationship was formed in some-type of “anticompetitive” environment. The APCC’s arguments should be rejected.

The APCC presents no facts to support its inflammatory “anticompetitive” rhetoric. Undoubtedly, this is because it cannot. USWPS secured its semi-public customers in conformity with its filed tariffs in an environment of a franchised public service telephone operation. Such an environment is not appropriately deemed “anticompetitive.” Moreover, traditionally USWPS did not actively market semi-public service. Almost all such customers initiated contact with USWPS.

The Associations argue that IPPs and USWPS must be allowed equal access to information available from USWC’s network operations, citing as a specific example “access to customer information.” There is nothing to suggest that IPPs should be allowed equal access to customer information. As discussed above, to the extent that “customer information” equates to CPNI, Section 222 clearly sets up different standards for internal company use of information and external third-party use. Furthermore, to the extent that the account information is not CPNI in any event but the commercial proprietary information of USWPS, such information need not be disclosed by USWPS to its competitors.

#### VI. NO OTHER ASPECT OF U S WEST’S CEI PLAN WAS DEFICIENT

Several commenters claim that other aspects of U S WEST’s CEI Plan were deficient. U S WEST refutes those claims below.

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been so converted by the Act) suggests that any “notice” would be given to USWPS in any event, not the semi-public service site provider.

A. Inmate Calling Services

The Inmate Coalition argues that U S WEST was remiss in failing to explain how its provision of inmate calling services will be treated under its CEI plan.<sup>55</sup> U S WEST listed inmate services but did not discuss them in any detail because it is treating those operations consistently with its treatment of other affiliated payphone service operations. All payphone equipment is being treated as deregulated, including any call control equipment uniquely associated with inmate calling services that provides timing, PIN, and other call-control functions. This equipment is not collocated in U S WEST's central offices.

Moreover, the interface between U S WEST's regulated operations and that equipment and the services provided by that equipment is the same interface as is available to any other pay telephone service provider. Finally, USWPS (including inmate service operations) will buy the same tariffed services<sup>56</sup> that nonaffiliated payphone providers (including inmate service providers will buy). Accordingly, U S WEST has complied with all relevant Commission Orders.

B. Number Assignment

Notwithstanding U S WEST's completely nondiscriminatory "first-come-first-served" policy for assignment of 8000 and 9000 series numbers, the APCC is not satisfied. It wants U S WEST to reallocate the numbers assigned to the existing base of payphones, *without charge*, so that an equal percentage of LEC payphones

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<sup>55</sup> Inmate Coalition at 2.

<sup>56</sup> Those services are the Smart PAL (coin line) and Basic PAL that are equally available to all inmate and other payphone service providers.

and IPPs are assigned 8000 and 9000 numbers. This proposal would impose needless burden and expense on LECs. USWPS also has some payphones with numbers outside the 8000 or 9000 series. If an existing IPP or USWPS payphone does not have an 8000 or 9000 series number, USWC will reassign another number (subject to availability) upon request at the tariffed rate for a number change.

C. Screening Codes

Some parties have requested additional information regarding the screening codes that U S WEST will use to identify payphone lines.<sup>57</sup> U S WEST will use the “07” code for all payphones connected to Basic PAL, and the “27” code for all payphones connected to Smart PAL. There is no discrimination because all payphones in each class of service will use the same screening code. Moreover, there is no basis for the contention that IXCs cannot identify a line carrying an “07” as a payphone line. In addition, USWC will provide to carriers a list of all payphone numbers, both Basic and Smart PAL. The “07” code, applied to a Basic PAL, becomes a payphone specific identifier, upon completion of a Line Information Database (“LIDB”) query.

The Commission’s Order in the originating line screening docket (“OLS”), CC No. Docket 91-35, permitted the RBOCs to choose whether to deploy OLS through either a database solution (i.e., originating line number screening (“OLNS”) through a LIDB dip) or Flex ANI, to satisfy screening requirements. U S WEST has chosen to deploy OLNS. In its Order granting U S WEST’s OLNS waiver request, the

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<sup>57</sup> MCI at 1-2; APCC at 19-22.

Commission recognized that companies had options for the provision of OLS, and that this option was not in conflict with the Commission's ruling in the payphone proceeding: "Finally, we find that the limited waivers we grant here will not unduly hamper the efforts of IXC's to use enhanced OLS service to protect against toll fraud or the implementation of per-call payphone compensation."<sup>58</sup> The Commission should reject MCI's and APCC's contention that U S WEST's choice of a LIDB solution for its OLS service unlawfully discriminates against non-affiliated PSPs.

D. Technical Interface Information

Telco claims that U S WEST provided no "meaningful detail" regarding the technical requirements an IPP must meet to connect to U S WEST's network interfaces.<sup>59</sup> U S WEST provided this information on the Smart PAL (coin line) in a separate network disclosure that was filed on January 6, 1997.

E. Resale

U S WEST met the CEI parameter on resale when it asserted that "U S WEST Public Services will impute the tariffed rates for all basic services used

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<sup>58</sup> In the Matter of Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Petitions Pertaining to Originating Line Screening Services, CC Docket No. 91-35, et al., Memorandum Opinion and Order, DA 96-2169, at ¶ 12, rel. Dec. 20, 1996.

<sup>59</sup> Telco at 3.

to provide its payphone services.”<sup>60</sup> Nothing more is required for purposes of CEI plan approval.<sup>61</sup>

## VII. EXTRANEOUS ISSUES SHOULD BE DISREGARDED

Several concerns were raised that have no bearing on the issue of whether U S WEST plans to offer CEI to IPPs. The Commission should dismiss these irrelevant and distracting arguments.

### A. Interim Compensation

Telco argues that the RBOCs should be prohibited from receiving interim compensation because the rate was set without regard to actual usage.<sup>62</sup> This argument is out of place in this proceeding, and should be disregarded.

### B. PIC Administration

Oncor complains that U S WEST’s CEI Plan “is directed to . . . interconnection services to other payphone providers[,]” and does not address “competition in the marketing of interexchange services from payphone locations.”<sup>63</sup> U S WEST’s CEI Plan addresses interconnection of other payphone providers because that is to whom U S WEST’s CEI obligations run. Oncor’s concerns and allegations regarding the “integrity of the payphone PIC selection and ordering

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<sup>60</sup> U S WEST CEI Plan at 7.

<sup>61</sup> The resale CEI parameter requires that a carrier’s payphone operations take basic services used in its payphone service offerings at their unbundled, tariffed rates. See U S WEST CEI Plan at 6-7 (and accompanying footnotes).

<sup>62</sup> Telco at 4-7.

<sup>63</sup> Oncor at 4-5. See also AT&T at 4.

process”<sup>64</sup> are out of place in this proceeding, and are not relevant to U S WEST’s satisfaction of its CEI obligations toward payphone providers.

C. Accounting for Payphone Operations

In what appears to be a self-serving attempt to obtain competitive information from the LECs, the Associations argue that the Commission should impose inappropriate accounting requirements on U S WEST’s integrated payphone operations. Specifically, they argue that “agreements for unbundled services and goods [should] be documented in written agreements such that the nature of its operations and dealings can be verified.”<sup>65</sup> This affiliate transaction-type requirement is totally unnecessary for integrated operations, which are expressly permitted in the Order.<sup>66</sup> In any event, the Commission has already outlined the rules and requirements for BOCs to follow in accounting for their payphone operations.<sup>67</sup> This is not a proper CEI issue.

D. Payphone Agents

The Associations claim that U S WEST’s CEI Plan does not remedy the problems created by U S WEST’s contracting with payphone “agents.”<sup>68</sup> The Associations do not explain, and U S WEST does not understand, the so-called

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<sup>64</sup> See id. at 5.

<sup>65</sup> Associations at 18.

<sup>66</sup> Order ¶ 199.

<sup>67</sup> Order ¶¶ 161-172. See also In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, CC Docket No. 96-150, Report and Order, FCC 96-490, rel. Dec. 24, 1996 ¶ 100.

<sup>68</sup> Associations at 18-19.

“problem.” If by “agents,” the Associations mean Payphone Management Companies (“PPM”), then they surely do not understand the relationship that PPMs have with location providers. PPMs are independent entrepreneurs, and they act as agents for location providers. They benefit the location providers by aggregating traffic from multiple locations for the purpose of negotiating higher commission agreements with interLATA carriers. In this way, commissions are usually higher than what a location provider with relatively low interLATA traffic volumes could have obtained individually. The use of payphone agents by USWPS has absolutely nothing to do with the services that USWC provides to unaffiliated PSPs, and is not a CEI plan issue.

E. Billing and Collections

APCC argues that U S WEST must disclose how it will treat charges for “semi-public service” on USWC’s bill.<sup>69</sup> While U S WEST does not believe that such is a CEI requirement, we can provide the information. USWPS will be the “customer of record” for both the network service (i.e., the PAL line) and the equipment. USWPS will enter into service arrangements with USWC to provide billing and collections services (similar to those provided, for example, for voice mail and directory advertising). USWPS will impute to itself the allocated cost of the billing and will assume any uncollectibles from the services billed. Thus, in no way

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<sup>69</sup> APCC at 26, arguing that such articulation should be made “to the extent that U S West’s payphone operation intends to continue offering a semi-public-like payphone service that involves charging location providers for lines and usage on their payphones.” Id.

will USWC's regulated operations be impacted by either the billing or the collections for the services in question.

F. Validation

The Inmate Coalition expresses concern about call validation, and the manner in which these services are provided to USWPS.<sup>70</sup> There is no basis for any concern. USWPS uses and pays for this LIDB-based service on the same terms and conditions as IPPs. Arguments regarding call validation for CLEC-originated calls are outside the scope of this proceeding.

G. Operator Services

The APCC raises questions about the classification of U S WEST's operator and information services ("OIS"). U S WEST's intraLATA operator services offered in connection with USWPS' payphones is part of U S WEST's regulated operations. The manner in which U S WEST is accounting for its payphone operations ensures that it is not subsidizing its payphone operations in the provision of operator services. The Smart PAL rate includes the cost of OIS, and USWPS will impute that rate to itself when it utilizes Smart PAL service. Moreover, U S WEST's Vendor Commission Plan has been available to IPPs since March 1993 on the same terms and conditions on which it is available to USWPS. There is no subsidization of USWPS by OIS because cost recovery of the commissions paid by USWPS are fully supported by total revenue from the station.

H. Uncollectibles

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<sup>70</sup> Inmate Coalition at 14-16.

There is no reason for AT&T and others to be concerned about the treatment of uncollectibles. USWPS pays (and will continue to pay) all toll and access line billing from USWC (the LEC), and therefore covers all regulated costs before calculating its revenues. There is no subsidy, nor is there any discrimination because USWC does not treat USWPS any differently than it treats IPPs in regard to billing and collection of toll and access line charges. All fraud, including “walk-away” fraud, is the responsibility of the payphone provider.

I. Dialing Parity

MCI has requested clarification regarding how U S WEST will comply with the dialing parity requirements in the Payphone Order.<sup>71</sup> This not a CEI issue. U S WEST’s compliance with the Commission’s Orders regarding dialing parity is outside the scope of this proceeding.

VIII. CONCLUSION

The array of extraneous issues raised by the commenters should not obscure the central question: whether U S WEST has provided under tariff the same network functionalities that are available to its own deregulated payphone operations. U S WEST has fully complied with this requirement. Arguments that the Commission should impose additional requirements or conditions are incompatible with the standard under which the Commission reviews CEI plans.

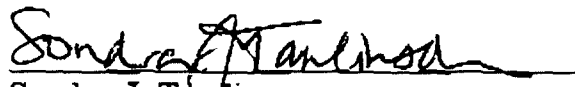
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<sup>71</sup> MCI at 2-3. See Order ¶¶ 292-93.

U S WEST's CEI Plan should be approved so that USWPS can compete on an equal footing with other payphone service providers.

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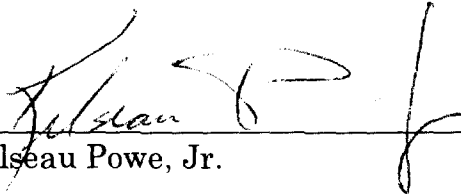
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February 24, 1997

## CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 24<sup>th</sup> day of February, 1997, I have caused a copy of the foregoing **U S WEST, INC. REPLY** to be served via first class United States Mail, postage prepaid, upon the persons listed on the attached service list.

  
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